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Supreme Court, U.S.
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No. 04-1350

IN THE

Supreme Court of the United States

KSR INTERNATIONAL CO.,

Petitioner,

—against—

TELEFLEX INC. and
TECHNOLOGY HOLDING CO.,

Respondents.

ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

BRIEF FOR PETITIONER

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QUESTION PRESENTED

Whether the Federal Circuit has erred in holding that a claimed invention cannot be held "obvious," and thus unpatentable under 35 U.S.C. § 103(a), in the absence of some proven "'teaching, suggestion, or motivation' that would have led a person of ordinary skill in the art to combine the relevant prior art teachings in the manner claimed."

CORPORATE DISCLOSURE STATEMENT

Petitioner hereby identifies KSR Industrial Corp. as a parent corporation owning 10% or more of Petitioner's stock. No publicly held company owns 10% or more of the stock of Petitioner.

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JURISDICTION

The judgment of the Court of Appeals was entered on January 6, 2005. No petition for rehearing was filed. On April 6, 2005, the Petitioner timely filed a petition for certiorari, which this Court granted on June 26, 2006. This Court's jurisdiction is invoked under 28 U.S.C. § 1254(1).

STATUTORY PROVISIONS INVOLVED

This case concerns the standard of patentability set forth in § 103(a) of the Patent Act, 35 U.S.C. § 103(a), which provides:

> § 103. Conditions for patentability; non-obvious subject matter
>
> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

STATEMENT OF THE CASE

This case presents a variant of a question that has underlain dozens of this Court's precedents dating back to 1851: How does a court go about deciding whether subject matter claimed in a patent should be deemed "non-obvious subject matter," 35 U.S.C.

§ 103(a), and thus eligible for a grant of government-backed rights to exclude its use by others.

A. Statutory and Case Law Background

The Constitution authorizes Congress "[t]o promote the Progress of . . . useful Arts, by securing for limited Times to . . . Inventors the exclusive Right to their . . . Discoveries." U.S. Const. art. I, § 8, cl. 8. Pursuant to this grant of authority, Congress has enacted the Patent Act, 35 U.S.C. §§ 1-376, which prescribes the conditions under which a person who "invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor." 35 U.S.C. § 101. One of the statutory "conditions for patentability" is that subject matter alleged to be an invention or discovery must have been "non-obvious subject matter" at the time of its making. 35 U.S.C. § 103(a).

The concept of "non-obvious subject matter" traces to this Court's decision in *Hotchkiss v. Greenwood*, 52 U.S. (11 How.) 248 (1851). In that case, the Court held invalid a patent that claimed a method of manufacturing knobs (e.g., doorknobs) made of clay or porcelain. The method included steps for fastening a knob to a threaded "shank." The exact same method had previously been used to make knobs of wood and metal; the alleged innovation was applying the pre-existing method to knobs made of clay or porcelain. In rendering its judgment of patent invalidity, the Court formulated and applied the following legal standard (52 U.S. (11 How.) at 267):

> [U]nless more ingenuity and skill in applying the old method of fastening the shank and the knob were required in the application of it to the clay or porcelain knob than were possessed by an ordinary mechanic acquainted with the business, there was an absence of that degree of skill and ingenuity which constitute essential elements of every invention. In other words, the improvement is the work of the skilful mechanic, not that of the inventor.

Between 1851 and 1952, this Court frequently considered and determined the merits of patent invalidity defenses in infringement cases, and in so doing, frequently considered and determined whether particular subject matter claimed in an issued patent was sufficiently innovative as to satisfy the general condition for patentability set forth in *Hotchkiss*.[1] This body of "judicial precedents embracing the *Hotchkiss* condition," *Graham v. John Deere Co.*, 383 U.S. 1, 17 (1966), encompassed diverse types of alleged inventions in diverse technological fields, and represented a substantial public investment in the development of patent law.

In 1952, Congress codified the "non-obvious subject matter" condition in § 103 of the Patent Act (since re-designated § 103(a)).[2] This Court first interpreted the new § 103 in *Graham v. John Deere Co.*, *supra*. *Graham* expressly rejected arguments that § 103 was purportedly "intended to sweep away judicial precedents and lower the level of patentability." 383 U.S. at 16. *Graham* held, to the contrary, that "the section was intended merely as a codification of judicial precedents embracing the *Hotchkiss* condition, with congressional directions that inquiries into the obviousness of the subject matter sought to be patented are a prerequisite to patentability." *Id.* at 17; *see also id.* at 3-4 ("[T]he 1952 Act was intended to codify judicial precedents embracing the principle long ago announced by this Court in *Hotchkiss v. Greenwood*, [52 U.S.] 11 How. 248 (1851)."). The Court emphasized in *Graham*, "it bears repeating that we find no change in the general strictness with which the test is to be applied." 383 U.S. at 19.

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[1] *E.g.*, *Goodyear Tire & Rubber Co. v. Ray-O-Vac Co.*, 321 U.S. 275 (1944) (upholding patent claims describing a leak-proof battery); *De Forest Radio Co. v. General Elec. Co.*, 283 U.S. 664 (1931) (invalidating patent claims describing an improved vacuum tube); *Eibel Process Co. v. Minnesota & Ontario Paper Co.*, 261 U.S. 45 (1923) (upholding patent claims describing paper-making machinery).

[2] Prior to 1984, current § 103(a) constituted the entire text of § 103. Current subsections "(b)" and "(c)" of § 103 were added by amendments in 1984 and 1995, and are not at issue here.

Graham also held that "the ultimate question of patent validity is one of law," *id.* at 17, and was to be "determined" with reference to three "factual inquiries," namely: (i) "the scope and content of the prior art,"[3] (ii) the "differences between the prior art and the claims at issue," and (iii) "the level of ordinary skill in the pertinent art." *Id.* The Court also stated that "[s]uch secondary considerations as commercial success, long felt but unsolved needs, failure of others, etc., might be utilized to give light to the circumstances surrounding the origin of the subject matter sought to be patented. As indicia of obviousness or nonobviousness, these inquiries may have relevancy." *Id.* at 17-18.

In two subsequent decisions, *Anderson's-Black Rock, Inc. v. Pavement Salvage Co.*, 396 U.S. 57, 60 (1969), and *Sakraida v. Ag Pro, Inc.*, 425 U.S. 273, 282 (1976), this Court unanimously reaffirmed its long-standing approach to determining whether a claimed invention that includes no new elements, but consists entirely of a "combination" of pre-existing elements, can properly be deemed to have been non-obvious subject matter at the time of its making. Under *Sakraida* and *Anderson's-Black* (and their many predecessor cases),[4] where an alleged invention consists of "an assembly of old elements," a court must inquire whether the claimed invention "only unites old elements with no change in their respective functions," or whether the combined elements co-act with one another to produce some "new or different function" or "an

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[3] In patent parlance the term "prior art," 35 U.S.C. § 103(a), refers to pre-existing knowledge against which the patentability of claimed subject matter must be assessed.

[4] *See* note 17 and accompanying text *infra*. As stated by this Court in *Sakraida*, "Courts should scrutinize combination patent claims with a care proportioned to the difficulty and improbability of finding invention in an assembly of old elements. . . . A patent for a combination which only unites old elements with no change in their respective functions . . . obviously withdraws what is already known into the field of its monopoly and diminishes the resources available to skillful men." 425 U.S. at 281 (quoting *Great Atl.& Pac. Tea Co. v. Supermarket Equip. Corp.*, 340 U.S. 147, 152-53 (1950)).

effect greater than the sum of the several effects taken separately." *Sakraida*, 425 U.S. at 282 (quoting *Anderson's-Black*, 396 U.S. at 60-61 (quoting *Lincoln Eng'g Co. v. Stewart-Warner Co.*, 303 U.S. 545, 549 (1938))). If there is no such new or different function or effect, then the claimed subject matter is said to fail "the test of validity of combination patents," *Sakraida*, 425 U.S. at 282 (quoting *Anderson's-Black*, 396 U.S. at 60), and is deemed to have been obvious under 35 U.S.C. § 103 without the necessity of further analysis. Prior to this case, *Sakraida* was this Court's most recent decision applying § 103.

Commencing on October 1, 1982, appeals from district court judgments in civil actions "arising under" federal patent law were diverted from the regional circuits to a newly-created intermediate appellate court, the Court of Appeals for the Federal Circuit.[5] Within a year of its creation, the Federal Circuit announced that "[t]here is no warrant for judicial classification of patents, whether into 'combination' patents and some other unnamed and undefined class or otherwise," and further stated that "[r]eference to 'combination' patents is, moreover, meaningless." *Stratoflex, Inc. v. Aeroquip Corp.*, 713 F.2d 1530, 1540 (Fed. Cir. 1983); *see also Medtronic, Inc. v. Cardiac Pacemakers, Inc.*, 721 F.2d 1563, 1566 (Fed. Cir. 1983) ("It but obfuscates the law to posit a non-statutory, judge-created classification labeled 'combination patents.'").

Under Federal Circuit precedent, a claimed invention that consists entirely of pre-existing elements can never be deemed obvious, and thus unpatentable under 35 U.S.C. § 103(a), in the absence of "specific findings showing a teaching, suggestion, or motivation to combine prior art teachings in the particular manner claimed by the patent at issue." *Teleflex Inc. v. KSR Int'l Co.*, No. 04-1152 (Pet. App. 16a). Under this "teaching-suggestion-motivation

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[5] *See Holmes Group, Inc. v. Vornado Air Circulation Sys., Inc.*, 535 U.S. 826, 829 (2002). The Federal Circuit is "a specialized court," *Dickinson v. Zurko*, 527 U.S. 150, 163 (1999), whose jurisdiction is limited to the particular matters set out in 28 U.S.C. § 1295(a).

test" (*id.*), the existence of "[m]otivation to combine" is said to be "a question of fact" that a lay jury may determine. *Group One Ltd.* v. *Hallmark Cards, Inc.*, 407 F.3d 1297, 1303-06 (Fed. Cir. 2005).

The present litigation, soon to begin its fifth year, well illustrates how the Federal Circuit "teaching-suggestion-motivation test" has gutted 35 U.S.C. § 103(a) as a meaningful defense to claims for alleged patent infringement, and has permitted "a class of speculative schemers . . . to lay a heavy tax upon the industry of the country, without contributing anything to the real advancement of the art." *Atlantic Works v. Brady*, 107 U.S. 192, 200 (1883).

B. Factual Background

1. The Technology at Issue

This case involves a simple and ubiquitous technology: "gas pedals" used to operate passenger cars and light trucks. Petitioner supplies gas pedals to General Motors Corp. ("GM") for installation in various Chevrolet (e.g., Silverado, Tahoe, Suburban, Trailblazer), GMC (e.g., Sierra, Envoy, Yukon), Buick (Rainier), Cadillac (e.g., Escalade), and other GM vehicle models sold in United States commerce. Petitioner's sale of some of these gas pedals is alleged to infringe a patent owned by Respondents.

The patented subject matter at issue in this case is a combination of two pre-existing elements: (i) a pre-existing type of "adjustable pedal," and (ii) a pre-existing type of "electronic control" found in newer cars. Both of these components are explained below.

2. Adjustable Pedals

The particular gas pedals at issue here are "adjustable" pedals, that is, pedals whose resting position can be moved, or "adjusted," relative to a driver's seating position. Adjustable foot pedals permit drivers of various statures to operate a motor vehicle with the driver's seat in a more comfortable position and at a more optimal distance from the steering wheel (and air bag) than may be possible with non-adjustable pedals. Adjustable pedals are old in the art;

they were a common technology at least twenty-five years before the alleged invention at issue here.

When adjustable pedals became available on standard passenger automobiles in the 1970s, the pedals generally controlled a mechanical link (such as a cable) that connected the pedal to the engine of the car. By stepping on the pedal, the driver would cause the pedal to rotate about a pivot, and this rotational motion would pull the cable or other mechanical link, which in turn would pull on a valve housed in a carburetor or fuel injection unit, thereby increasing the amount of fuel and air entering the engine and hence raising the engine speed.

One particular type of prior art adjustable pedal is disclosed in U.S. Patent No. 5,010,782, which was issued April 30, 1991, to an inventor named Asano (hereinafter, the "Asano" pedal). In this type of adjustable pedal, a gas pedal pivot is carried in a support bracket attached to the car's footwell, and the pivot's position thus remains constant when the pedal's resting position is adjusted forward or backward to accommodate drivers of different sizes.

3. The Transition to Electronically-Controlled Fuel Systems

Prior to the mid-1990s, most new vehicles sold in the United States were equipped with engines whose throttles were actuated by cables or similar mechanical linkage. Commencing in the mid-1990s, increasing numbers of vehicles sold in the United States were equipped with engines whose throttles were controlled electronically, by computerized systems commonly known as "electronic throttle controls" or ETCs. Electronic throttle controls can accommodate improved traction control and vehicle directional stability systems, simplified cruise controls, and on-board computer-controlled systems for improving fuel economy and reducing tailpipe emissions.

In vehicles whose engines are equipped with electronic throttle controls, the gas pedal is typically coupled to an electronic sensor that engages the pivot shaft of the gas pedal. Thus, in newer cars, stepping on the gas pedal does not pull a cable or mechanical linkage;

instead, the electronic sensor detects the position of the pedal and generates an electronic signal. The electronic signal travels via wire into the engine compartment where, typically, it is input into the electronic throttle control.

4. The Engelgau patent

Respondents are the owners of U.S. Patent No. 6,237,565 B1 issued May 29, 2001, for an alleged invention by Steven Engelgau entitled "Adjustable Pedal Assembly With Electronic Throttle Control" (the "Engelgau patent"). According to Respondents, the alleged invention disclosed in the Engelgau patent was made by Mr. Engelgau on February 14, 1998. *See Teleflex Inc. v. KSR Int'l Co.*, 298 F. Supp. 2d 581, 588 (E.D. Mich. 2003) (Pet. App. 29a). The patent application that issued as the Engelgau patent was filed August 22, 2000.

The Engelgau patent characterizes the alleged "invention"[6] in four "claims,"[7] but only one of those claims is at issue in this

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[6] The word "invention" is a term of art in patent law. As used in the Patent Act, the word "invention" refers to "a concept that is complete," *Pfaff v. Wells Elecs., Inc.*, 525 U.S. 55, 66 (1998), and that falls within one of the subject matter categories listed in 35 U.S.C. § 101, *i.e.*, is a concept that constitutes "any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof." An "invention" can be made and exist long before it is described in a patent application. *Pfaff*, 525 U.S. at 68-69 (holding patent invalid "because the invention had been on sale for more than one year in this country before he [the alleged inventor] filed his patent application").

[7] The word "claim" is a term of art in patent law. As used in the Patent Act, the word "claim" refers to a statutorily required sentence that "particularly point[s] out and distinctly claim[s] the subject matter which the applicant regards as his invention." 35 U.S.C. § 112 ¶ 2. The allowed "claims" made in a patent application define "the scope of a patent grant," *Markman v. Westview Instruments, Inc.*, 517 U.S. 370, 373 (1996) (quoting 3 E. Lipscomb, WALKER ON PATENTS § 11:1, at 280 (3d ed. 1985)), but they are not necessarily accurate as descriptions of an applicant's actual "invention." *Cf. Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*,

litigation. That claim—numbered claim 4 in the patent—describes (i) a pre-existing "adjustable pedal assembly," combined with (ii) a pre-existing "electronic control." The patent states that the claimed "adjustable pedal assembly" may "be any of various adjustable pedal assemblies known in the art" (col. 2, lines 55-56). The patent further states that the claimed "electronic control" may "be any of various electronic throttle control mechanisms known in the art" (*id.* at col. 3, lines 22-24).

C. The Proceedings Below

1. The Respondents' Infringement Action

Respondents commenced this civil action for alleged patent infringement on November 18, 2002. Respondents accused Petitioner of making unauthorized use of the patented invention described by claim 4 of the Engelgau patent, in violation of 35 U.S.C. § 271(a). Petitioner denied infringement and pleaded a defense of invalidity under 35 U.S.C. § 103(a). *See* 35 U.S.C. §282(2) (authorizing such a defense to be raised in an infringement case).

Following the completion of discovery, Petitioner moved for summary judgment of invalidity. Petitioner contended that claim 4 of the Engelgau patent[8] was worded so broadly as to describe the

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535 U.S. 722, 731 (2002) ("[T]he nature of language makes it impossible to capture the essence of a thing in a patent application."); *Graver Tank & Mfg. Co. v. Linde Air Prods. Co.*, 336 U.S. 271, 276-77 (1949) (invalidating patent claims that "comprehended more than the invention").

[8] It bears emphasizing that this case raises no question whether the alleged invention disclosed in the Engelgau patent specification and drawings and described in claims 1-3 of the Engelgau patent might be deemed "non-obvious subject matter," but only whether claim 4 of the Engelgau patent is invalid because its broadly worded terms are not *limited* to "non-obvious subject matter."

combination of (i) the 1991 Asano pedal,[9] with (ii) an off-the-shelf, modular electronic pedal position sensor that was specifically designed (a) to engage the rotating pivot shaft of any gas pedal, and (b) to be mounted to whatever support structure carried the gas pedal pivot shaft, which in the Asano pedal was its support bracket. A computer animation, comparing the words of claim 4 with the 1991 Asano pedal and a 1994 pedal position sensor, was submitted to the District Court in support of Petitioner's motion for summary judgment without objection and is included in the joint appendix materials. (*See* Joint Appendix ["JA"] at 102a-104a; Supplemental Joint Appendix ["JSA"] at 81.)

Petitioner contended that claim 4 of the Engelgau patent was invalid under 35 U.S.C. § 103(a) as that statute had been construed by this Court in *Sakraida*, *Anderson's-Black*, and their many predecessor cases dealing with "combination" patent claims. Alternatively, Petitioner contended that the undisputed prior art rendered claim 4 invalid even if evaluated under the Federal Circuit teaching-suggestion-motivation test.

In response to Petitioner's motion for summary judgment, Respondents did not attempt to defend the validity of claim 4 of the Engelgau patent under "the test of validity of combination patents." *Sakraida*, 425 U.S. at 282 (quoting *Anderson's-Black*, 396 U.S. at 60). Rather, Respondents contended that Petitioner's defense of invalidity under 35 U.S.C. §§ 103(a) and 282(2) was subject to the Federal Circuit teaching-suggestion-motivation test (JA 130a-133a), and that test required Petitioner to prove as a "*fact*" (JA 133a (emphasis in original)), by "clear and convincing evidence" (JA 127a),[10] that a hypothetical "person having ordinary skill in the art,"

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[9] It is undisputed that the Asano patent was never cited to, or considered by, the PTO during the prosecution of the Engelgau patent.

[10] In 1983 the Federal Circuit announced, without citation of authority, that *any* facts proffered to support *any* defense of invalidity under 35 U.S.C. § 282(2) must be "proven" in *every* instance by "clear and convincing evidence." *Connell v. Sears, Roebuck & Co.*, 722 F.2d 1542, 1549 (Fed. Cir. 1983) ("the evidence relied on to prove those facts must be

35 U.S.C. § 103(a), "confronted with the same problems as the inventor and with no knowledge of the claimed invention, would select the elements from the cited prior art references for combination in the manner claimed" (JA 134a (quoting *In re Rouffet*, 149 F.3d 1350, 1357 (Fed. Cir. 1998)).)

The "problem" Mr. Engelgau set out to "solve," Respondents contended, was to develop an adjustable pedal assembly that included an "electronic control" and also was "not expensive, time consuming to assemble, and [did] not require a significant amount of packaging space." (JA 142a.) "[C]ombining Asano with an electronic control," Respondents continued, "would not have solved any of the problems confronting Engelgau in his design of the Engelgau Patent." (JA 141a.) Therefore, Respondents contended, a jury could reasonably find that "someone in Engelgau's shoes" would "shun Asano" (JA 146a), and this possibility meant that the District Court could not properly determine the validity of claim 4 of the Engelgau patent on summary judgment.

2. The District Court's Decision

On December 12, 2003, the District Court (per Chief Judge Lawrence P. Zatkoff) granted summary judgment dismissing Respondents' complaint on the basis that claim 4 of the Engelgau patent was invalid under § 103(a). *Teleflex Inc. v. KSR Int'l Co.*, 298 F. Supp. 2d 581 (E.D. Mich. 2003) (Pet. App. 18a-29a). The District Court determined that there was no genuine issue of fact

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clear and convincing") (dictum) (emphasis added). This openly expressed preference for patentees over accused infringers is without basis in the Patent Act or any patent precedent of this Court, and in fact is antithetical to applicable precedents of this Court. *See Herman & McClean v. Huddleston*, 459 U.S. 375, 387-90 (1983) (noting that, outside the context of "particularly important individual interests or rights" such as parental rights or deportation, the Court does not "depart from the preponderance-of-the-evidence standard generally applicable in civil actions").

with respect to any of the *Graham* inquiries, and that Petitioner was entitled to judgment as a matter of law.

Respondents did not dispute that the references relied on by Petitioner, including the Asano reference, were all "prior art" to the Engelgau patent for purposes of 35 U.S.C. § 103(a). *See* 298 F. Supp. 2d at 587-90 (Pet. App. 28a-35a); Resp. C.A. Reply Br. at 9 ("Teleflex does not dispute that the Asano Patent constitutes prior art to the Engelgau Patent").[11] There was, thus, no genuine issue of fact with respect to "the scope and content of the prior art." *Graham*, 383 U.S. at 17.

There was also no genuine issue of fact with respect to "the level of ordinary skill in the pertinent art." *Id.* For purposes of summary judgment, Petitioner stipulated to Respondents' contention that the statutory "person having ordinary skill in the art"[12] should be deemed a person "with an undergraduate degree in mechanical engineering or an equivalent amount of industry experience who has familiarity with pedal control systems for vehicles." 298 F. Supp. 2d at 590-91 (Pet. App. 36a).

There was also no genuine issue of fact with respect to the "differences between the prior art and the claim[] at issue." *Graham*, 383 U.S. at 17. On its face, the Asano patent "teaches the structure and function of each of the claim 4 limitations, except those relating to an electronic pedal position sensor." 298 F. Supp. 2d at

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[11] As noted above, Respondents disputed whether a person having ordinary skill in the art, confronted with the same problem that allegedly confronted Mr. Engelgau, would have been "motivated" to add a pedal position sensor to the adjustable gas pedal disclosed in the Asano patent, but Respondents did not dispute that the Asano pedal was "prior art" for purposes of § 103(a).

[12] The statutory phrase, "person having ordinary skill in the art," 35 U.S.C. § 103(a), does not refer to an actual person, but rather refers to a hypothetical person who has constructive knowledge of all pertinent "prior art." *E.g., Railroad Supply Co. v. Elyria Iron & Steel Co.*, 244 U.S. 285, 291 (1917); *Mast, Foos & Co. v. Stover Mfg. Co.*, 177 U.S. 485, 493 (1900).

592 (Pet. App. 39a). Other undisputed prior art references expressly disclose the use of "an electronic pedal position sensor attached to an accelerator pedal support bracket and engaged with a pivot shaft," *id.* at 590 (Pet. App. 34a), with the sensor "being responsive to the pedal pivot shaft and causing a signal to be sent to the engine to increase or decrease engine speed based on the rotation of the pivot shaft," *id.* at 592 (Pet. App. 40a). As for Respondents' contention that adding a pedal position sensor to Asano would not have solved the "problems" that Mr. Engelgau allegedly set out to solve, the District Court noted: "This argument . . . is unavailing because . . . claim 4 contains none of the limitations that allegedly make the preferred embodiment of the pedal assembly structurally less complex than the Asano pedal assembly." *Teleflex*, 298 F. Supp. 2d at 593 n.2 (Pet. App. 42a).

Although Petitioner had urged the District Court to follow and apply this Court's long-established "test of validity of combination patents," *Sakraida*, 425 U.S. at 282 (quoting *Anderson's-Black Rock*, 396 U.S. at 60), the District Court followed Federal Circuit precedent and made additional determinations in an attempt to satisfy the Federal Circuit teaching-suggestion-motivation test. Based on the undisputed prior art of record, the District Court determined that a person having ordinary skill in the art having knowledge of the prior art Asano pedal and the prior art position sensors "would be motivated to combine the two." *Teleflex*, 298 F. Supp. 2d at 594 (Pet. App. 43a). The District Court observed (*id.* at 594 (Pet. App. 41a)):

> It is undisputed that in the mid-1990's more cars required the use of an electronic device, such as a pedal position sensor, to communicate driver inputs to an electronically managed engine. It is also undisputed that adjustable pedal assemblies have existed in the art since the late 1970's. Clearly it was inevitable that adjustable pedal assemblies would be joined with an electronic device to work in conjunction with modern electronically controlled engines.

Finally, the District Court noted Respondents' failure to present evidence of any long-felt need for, or any failed attempts by others to devise, the subject matter described by claim 4 of the Engelgau

patent. *Teleflex*, 298 F. Supp. 2d at 596 (Pet. App. 48a). Respondents contended that the claimed invention had enjoyed commercial success. The District Court concluded that the claimed commercial success, even if taken at face value, was "insufficient to overcome [KSR]'s clear and convincing evidence of obviousness." (*Id.* (Pet. App. 48a).)

3. The Federal Circuit's Decision

Respondents timely appealed to the Federal Circuit, complaining that "the lower court diluted beyond recognition the barriers that the Federal Circuit has erected to a finding of obviousness." (Resp. C.A. Br. at 4.) Respondents argued that, as bars to patentability under § 103(a), the invalidating legal effect of multiple prior art references (in this case, Asano's pre-existing adjustable pedal assembly and an off-the-shelf pedal position sensor) could not be determined without a jury trial of whether a person having ordinary skill in the art would have had motivation to combine the references cited by the District Court.

In response, Petitioner once again cited and relied on this Court's *Sakraida* and *Anderson's-Black* decisions. In the alternative, Petitioner urged affirmance even under the Federal Circuit teaching-suggestion-motivation test of invalidity.

On January 6, 2005, a panel of the Federal Circuit vacated the District Court's judgment and remanded for further proceedings. The Federal Circuit declined to acknowledge the existence of, to follow, or to distinguish *Sakraida* or any other of this Court's precedents applying the "test of validity of combination patents." *Sakraida*, 425 U.S. at 282 (quoting *Anderson's-Black*, 396 U.S. at 60). The Federal Circuit also elected not to publish its decision even though it was vacating a comprehensive reported decision by the District Court.

Instead, citing its own post-1982 precedents, the Federal Circuit held that the District Court "did not apply the correct teaching-suggestion-motivation test." (Pet. App. 8a.) And, applying the purportedly "correct" test, the Federal Circuit held that the undisputed prior art of record not only did not support the District

Court's grant of summary judgment to Petitioner, but that the undisputed prior art purportedly did not make out even "a *prima facie* case of obviousness." (*Id.* at 14a.)

The Federal Circuit did not question the District Court's conclusion that one prior art reference on adjustable pedals (namely, Asano) disclosed "all of the structural limitations of [Respondents' patent claim] with the exception of the electronic control." (Pet. App. 9a (citing 298 F. Supp. 2d at 592).) The Federal Circuit also did not question the District Court's conclusion that "[e]lectronic controls were well known in the prior art." (*Id.*) The Federal Circuit also did not question that claim 4 of the Engelgau patent was worded so broadly as to encompass (i) a pre-existing adjustable pedal assembly, combined with (ii) a pre-existing electronic control, with each claimed element performing exactly the same function, in combination, that it had been designed to perform individually.

Nevertheless, in the Federal Circuit's view, the undisputed prior art of record did not render the Respondents' claimed invention unpatentable under § 103(a), because Petitioner had not gone further and proved, beyond genuine dispute and by "clear and convincing evidence" (Pet. App. 5a, 14a), that "there was a suggestion or motivation to combine the teachings of Asano with an electronic control in the particular manner claimed by claim 4 of the [Engelgau] patent" (Pet. App. 12a). The Federal Circuit held that the "correct standard requires a court to make *specific* findings showing a teaching, suggestion, or motivation to combine prior art teachings in the *particular* manner claimed by the patent at issue." (*Id.* at 16a (emphasis added).) Accordingly, the Federal Circuit remanded for determination "whether a person of ordinary skill in the art *would have been motivated*, at the time the invention was made, to attach an electronic control to the support structure of the pedal assembly disclosed by the Asano patent." (*Id.* at 16a-17a (emphasis added).)

SUMMARY OF THE ARGUMENT

The teaching-suggestion-motivation test has no basis in the text of § 103(a) and conflicts with numerous precedents of this Court

spanning a 150-year period. The Federal Circuit test is built on a widely-recognized and inappropriate rejection of this Court's precedents. The test guts § 103(a) as a meaningful defense to liability for alleged patent infringement in many cases. It all but precludes the use of summary judgment as a means of determining the ultimate question of patent validity under § 103. And it effectively strips courts of their traditional authority to determine the validity of patent claims under § 103 and transfers that authority to lay juries. The Federal Circuit has reinterpreted § 103 as providing, not a "condition for patentability" (as its statutory title states, and as this Court has construed § 103 as providing), but as a condition for *challenges* to patentability that is very difficult for the PTO or an alleged infringer to meet, and effectively forces the issuance and upholding of patents even where, as in this case, claimed subject matter differs from undisputed prior art in only trivial respects.

The Court in this case is presented with an unusual and stark choice between adhering to its own patent law precedents, developed over a 150-year period, or abandoning those precedents wholesale in favor of a radical experiment by a lower court, an experiment that was undertaken in open defiance of this Court's authority. Considerations of *stare decisis*, as well as fundamental policies served by § 103(a), counsel for the retention of this Court's traditional approach to determining whether claimed subject matter qualifies for patent protection. That approach looks to whether a person having ordinary skill in an art would have been *capable* of adapting extant technology to achieve a desired result (e.g., making a *clay* door knob having a threaded shank), not whether such a person would have had *motivation* to adapt extant technology to achieve a desired result.

As the Solicitor General and the PTO have both correctly pointed out, "[t]he claimed invention here is at least as obvious as" were the claimed inventions that this Court held unpatentable in *Anderson's-Black Rock, Inc. v. Pavement Salvage Co.*, 396 U.S. 57 (1969), and *Graham v. John Deere Co.*, 383 U.S. 1 (1966). *See* Brief for the United States as Amicus Curiae ("Solicitor General Amicus Brief"), at 17. Under this Court's precedents, the District Court's

award of summary judgment of invalidity to Petitioner was clearly correct. The Federal Circuit's judgment should be reversed.

ARGUMENT

I. THE TEACHING-SUGGESTION-MOTIVATION TEST HAS NO BASIS IN THE TEXT OF SECTION 103(a) AND CONFLICTS WITH THIS COURT'S PRECEDENTS.

Section 103(a), titled "Conditions for patentability; non-obvious subject matter," provides:

> A patent may not be obtained . . . if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains.

The statute states a "condition" that must be satisfied before a claimed invention can be deemed eligible for a grant of government-backed rights to exclude its use by others. The statute does not purport to require that *every* claimed invention be deemed "non-obvious subject matter," no matter how small or trivial might be the differences between the claimed subject matter and prior art, unless an accused infringer "prove[s] by clear and convincing evidence" (Pet. App. 5a; *see also id.* at 14a n.4) the existence of some "'teaching, suggestion, or motivation' that would have led a person of ordinary skill in the art to combine the relevant prior art teachings in the manner claimed" (*id.* at 6a), and that further yields a jury verdict[13] or a district court's "specific findings" to that effect (*id.* at 16a).

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[13] In 1984, the Federal Circuit held that accused infringers had no right to judicial determination of the ultimate legal question of validity under § 103(a), *see Railroad Dynamics, Inc. v. A. Stucki Co.*, 727 F.2d 1506, 1514 (Fed. Cir. 1984) ("[I]t was not error to submit the question of obviousness to the jury."), and harshly dismissed competing views.

To the contrary, this Court in applying § 103 has held that there are a variety of circumstances in which claimed subject matter may fail to satisfy the condition for patentability set forth in that section. Similarly, this Court's earlier "precedents embracing the *Hotchkiss* condition" that §103 codified, *Graham v. John Deere Co.*, 383 U.S. 1, 17 (1966), provide a rich source of analogies for deciding whether, in a given case, claimed subject matter is properly deemed a patentable invention or non-obvious subject matter.[14] In none of

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Compare Sarkisian v. Winn-Proof Corp., 688 F.2d 647, 651 (9th Cir. 1982) ("The court must, in all cases, determine obviousness as a question of law independent of the jury's conclusion.") *with Perkin-Elmer Corp. v. Computervision Corp.*, 732 F.2d 888, 895 & n.5 (Fed. Cir. 1984) (rejecting *Sarkisian* as making "charades of motions for directed verdict or JNOV under [Federal Rule of Civil Procedure] 50 in patent cases").

[14] *E.g., Great Atl. & Pac. Tea Co. v. Supermarket Equip. Corp.*, 340 U.S. 147, 151-52 (1950) (invalidating patent claims describing supermarket check-out counter structures); *Mandel Bros., Inc. v. Wallace*, 335 U.S. 291, 296 (1948) (invalidating patent claims describing perspiration inhibiting composition); *Goodyear Tire & Rubber Co. v. Ray-O-Vac Co.*, 321 U.S. 275, 279 (1944) (upholding patent claims describing a leak-proof battery); *Standard Brands, Inc. v. National Green Yeast Corp.*, 308 U.S. 34, 37 (1939) (invalidating patent claims describing process for manufacturing compressed yeast); *Lincoln Eng'g Co. v. Stewart-Warner Corp.*, 303 U.S. 545, 549-52 (1938) (invalidating patent claims describing grease gun); *Essex Razor Blade Corp. v. Gillette Safety Razor Co.*, 299 U.S. 94, 98 (1936) (invalidating claims describing safety razor); *Paramount Publix Corp. v. American Tri-Ergon Corp.*, 294 U.S. 464, 471-73 (1935) (invalidating patent claims describing a process for producing a combined sound and picture positive film); *De Forest Radio Co. v. General Elec. Co.*, 283 U.S. 664, 682-85 (1931) (invalidating patent claims describing vacuum tube); *Saranac Automatic Mach. Corp. v. Wirebounds Patents Co.*, 282 U.S. 704, 711 (1931) (invalidating patent claims describing machinery for making box blanks); *Temco Elec. Motor Co. v. Apco Mfg. Co.*, 275 U.S. 319 (1928) (upholding patent claims describing shock absorber); *Concrete Appliances Co. v. Gomery*, 269 U.S. 177, 184-85 (1925) (invalidating patent claims describing apparatus for

this Court's precedents, spanning more than 150 years, has it been held that a proven "teaching, suggestion, or motivation to combine prior art teachings in the particular manner claimed in a patent" (Pet. App. 16a), is a *prerequisite* to declaring claimed subject matter unpatentable.

The Federal Circuit has subjected invalidity defenses under § 103(a) to a blanket teaching-suggestion-motivation test only by openly rejecting this Court's precedents. That divergence between the two courts has been widely recognized by numerous commentators,[15] and can also be demonstrated with objective measures such as the failure of the Federal Circuit ever to apply the holding of this Court's most recent precedent on § 103. The sharp

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transporting wet concrete); *Eibel Process Co. v. Minnesota & Ontario Paper Co.*, 261 U.S. 45, 63-65 (1923) (upholding validity of patent claims describing paper making machinery); *Grinnell Washing Mach. Co. v. E.E. Johnson Co.*, 247 U.S. 426, 433-34 (1918) (invalidating claims describing a washing machine gearing device); *Railroad Supply Co v. Elyria Iron & Steel Co.*, 244 U.S. 285, 291-94 (1917) (invaliding patent claims describing railroad tie plates); *Diamond Rubber Co. v. Consolidated Rubber Tire Co.*, 220 U.S. 428, 440-43 (1911) (upholding patent claims describing rubber tired wheel design); *Expanded Metal Co. v. Bradford*, 214 U.S. 366, 381 (1909) (upholding patent claims describing method of making expanded sheet metal); *Carnegie Steel Co. v. Cambria Iron Co.*, 185 U.S. 403, 425-30 (1902) (upholding patent claim describing method of mixing molten pig metal); *Mast, Foos & Co. v. Stover Mfg. Co.*, 177 U.S. 485, 491-93, 498 (1900) (invalidating patent claim describing apparatus for windmill-driven pitman arm); *Office Specialty Mfg. Co. v. Fenton Metallic Mfg. Co.*, 174 U.S. 492 (1899) (invalidating patent claims describing configuration of book storage case); *Keystone Mfg. Co. v. Adams*, 151 U.S. 139 (1894) (upholding validity of patent claim describing improved corn sheller); *Knapp v. Morss*, 150 U.S. 221, 227-28 (1893) (invalidating patent claim describing adjustable dress form). The foregoing are merely examples of this Court's numerous "judicial precedents embracing the *Hotchkiss* condition." *Graham*, 383 U.S. at 17.

[15] *See* discussion *infra* at pp. 28-30.

difference between Federal Circuit and Supreme Court precedent in this area has immensely important consequences as shown by the circumstances of this very case.

A. The Teaching-Suggestion-Motivation Test Is Inconsistent With This Court's Precedents

Since Congress codified the *Hotchkiss* condition in § 103, this Court has applied the statutory standard in six cases. In five of those cases, the Court invalidated patent claims under § 103. In all of those cases the Court drew on *Hotchkiss* and other pre-codification precedents as informing its analysis of whether particular claimed subject matter should be deemed an "invention" or "non-obvious subject matter."[16] In none of those cases did the Court hold that § 103 was no defense to liability for alleged patent infringement in the absence of some proven "teaching, suggestion, or motivation" to combine or modify prior art references.

In *Graham*, this Court invalidated patent claims that described a mechanism for permitting a plow shank to pivot when it encountered a rock in the ground. The claimed subject matter included a hinge plate positioned *above* the plow shank, whereas prior art disclosed a hinge plate positioned *below* the plow shank. This Court held that the reversal in the arrangement of two pre-existing plow components "presents no operative mechanical distinctions, much less non-obvious differences." 383 U.S. at 26. *Graham* invalidated the asserted claims under § 103 without making any findings showing a teaching, suggestion, or motivation to modify prior art into the particular configuration claimed.

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[16] *E.g.*, *Sakraida.*, 425 U.S. at 280-82 (quoting *Hotchkiss* and *Great Atl.*, 340 U.S. at 152); *Dann v. Johnston*, 425 U.S. 219, 225 (1976) (quoting *McClain v. Ortmayer*, 141 U.S. 419, 427 (1891), and citing *Hotchkiss* and *Keystone Driller Co. v. Northwest Eng'g Corp.*, 294 U.S. 42 (1935), and *Sharp v. Stamping Co.*, 103 U.S. 250 (1880)); *Anderson's-Black*, 396 U.S. at 60-63 (citing *Hotchkiss* and quoting *Great Atl.*, 340 U.S. at 153, and *Lincoln Eng'g*, 303 U.S. at 549); *Graham*, 383 U.S. at 25 (citing *Lincoln Eng'g*, 303 U.S. at 550).

In *Calmar, Inc. v. Cook Chemical Co.* (a companion case decided with *Graham*, *see* 383 U.S. at 26), this Court invalidated patent claims that described a pump-type sprayer container (e.g., for holding and spraying window cleaner). The claimed subject matter included a "rib" built into a top part of the sprayer container; prior art disclosed a "rib" built into the top of a *pouring-spout* container. This Court held that "[t]he substitution of a rib built into a collar likewise presents no patentable difference above the prior art" because that type of seal was "fully disclosed" in an earlier patent on a pour spout. *Id.* at 35. *Calmar* declared the claimed subject matter obvious under § 103 without making any findings showing a teaching, suggestion, or motivation to combine the cited prior art in the particular manner claimed, and indeed, *notwithstanding* the lower court's view that "there [was] nothing in the prior art *suggesting* Scoggin's unique combination of these old features." *Calmar, Inc. v. Cook Chem. Co.*, 336 F.2d 110, 113 (8th Cir. 1964) (emphasis added), *rev'd*, 383 U.S. at 26.

In *United States v. Adams*, 383 U.S. 39 (1966), this Court upheld the validity of patent claims that described a water-activated battery, each of whose components was "well known in the prior art." *Id.* at 51-52. The prior art did not "suggest" the combination that the patentee had made, *id.* at 47, but the Court did not conclude, from that point alone, that the claimed subject matter was *ipso facto* non-obvious. Rather, this Court considered many other factors including that (i) the operating characteristics of the claimed battery were "wholly unexpected[]" and had "certain valuable operating advantages over other batteries," *id.* at 51, (ii) the claimed battery had previously been considered "not practical," *id.* at 52, and (iii) "noted experts [had] expressed disbelief" that the claimed battery could possibly work, *id.*

In *Anderson's-Black Rock v. Pavement Salvage Co.*, 396 U.S. 57 (1969), this Court invalidated patent claims that described a paving apparatus. The claimed subject matter included a radiant-heat burner *suspended from* the paving apparatus, whereas prior art disclosed

radiant-heat burners that were used *separately* from the paving apparatus. *Id.* at 58-59. In holding the claims invalid under § 103, this Court followed and re-affirmed a very long line of precedents[17]

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[17] *E.g., Great Atl.*, 340 U.S. at 150-53 (invalidating claims that recited pre-existing supermarket check-out counter structures "which only unite[d] old elements with no change in their respective functions"); *Toledo Pressed Steel Co. v. Standard Parts, Inc.*, 307 U.S. 350, 356 (1939) (invalidating claims that recited pre-existing torch body and cap structures that together "performed no joint function" but "served as separately it had done"); *Powers-Kennedy Contracting Corp. v. Concrete Mixing & Conveying Co.* 282 U.S. 175, 186 (1930) (invalidating claims that recited pre-existing structures suitable for transporting wet concrete, all of which structures "were old in the art" and whose combination accomplished "no more than an aggregate of old results"); *Grinnell Washing Mach. Co. v. E.E. Johnson Co.*, 247 U.S. 426, 432-33 (1918) (invalidating claims that recited pre-existing structures for driving a wringer washing machine, where the result produced was "only that which arises from the well-known operation of each one of the elements"); *Richards v. Chase Elevator Co.*, 158 U.S. 299, 302-03 (1895) (invalidating claims that recited grain elevator apparatus; stating, "so long as each element performs some old and well-known function, the result is not a patentable combination, but an aggregation of elements"); *Knapp v. Morss*, 150 U.S. 221, 227 (1893) (invalidating claims that recited adjustable dress form structures; stating, "the combination of old elements which performs no new function and accomplishes no new results does not involve patentable novelty"); *Brinkerhoff v. Aloe*, 146 U.S. 513, 516-17 (1892) (invalidating claims that recited rectal specula; stating, "to sustain a patent on a combination of old devices it is well-settled that a new result must be obtained, which is due to the joint and cooperating action of the old elements. Either this must be accomplished, or a new machine of distinct character and function must be constructed"); *Adams v. Bellaire Stamping Co.*, 141 U.S. 539, 542 (1891) (invalidating claims that recited pre-existing lantern structures, where "[t]he elements combined to form the alleged invention merely constituted an aggregation of old devices, each working out its own effect, without producing anything novel); *Florsheim v. Schilling*, 137 U.S. 64, 77 (1890) (invalidating claims that recited corset structures; stating, "in a patentable combination of old elements, all of the constituents must so enter into it such that each

holding that "[t]he mere aggregation of a number of old parts or elements, which, in the aggregation, perform or produce no new or different function or operation than that theretofore performed or produced by them, is not patentable invention." *Lincoln Eng'g Co. v. Stewart-Warner Corp.*, 303 U.S. 545, 549 (1938), *cited and applied in Anderson's-Black*, 396 U.S. at 60. *Anderson's-Black* held the claimed subject matter "was not an invention by the obvious-non-obvious standard," *id.* at 62-63, once again without making any findings showing a teaching, suggestion, or motivation to combine or modify cited prior art references.

Dann v. Johnston, 425 U.S. 219 (1976), concerned an attempt to patent a "machine system for automatic record-keeping of bank checks and deposits." *Id.* at 220. The claimed subject matter included data processing equipment that provided bank customers with statements that categorized debits within a *single* account, whereas prior art data processing equipment provided categorized debits within *multiple* accounts. *Id.* at 227-28. The PTO rejected the application on several grounds, including that the claimed subject matter was unpatentable under § 103. The Court of Customs and Patent Appeals (CCPA)—a predecessor court of the Federal Circuit—reversed and held that the invention was patentable because, the CCPA determined, the cited prior art passages "simply are not *suggestive* of the subject matter of the appealed claims." *In re Johnston*, 502 F.2d 765, 772 (C.C.P.A. 1974) (emphasis added), *rev'd sub nom., Dann v. Johnston*, 425 U.S. 219 (1976). This Court granted certiorari and reversed. The Court acknowledged that

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qualifies every other . . . It must form either a new machine of a distinct character and function, or produce a result due to the joint and co-operating action of all the elements, and which is not the mere adding together of the separate contributions"). *See also Graham*, 383 U.S. at 10 n.3 ("A man has a right to use a saw, an axe, a plane separately; may he not combine their uses on the same piece of wood?") (quoting VI *Writings of Thomas Jefferson*, at 298 (Washington ed.))

"[t]here may be differences between respondent's invention and the state of the prior art," but held nonetheless that "[t]he gap between the prior art and respondent's system is simply not so great as to render the system non-obvious to one reasonably skilled in the art." *Id.* at 229-30. Again, the Court's opinion not only includes no findings of a teaching, suggestion, or motivation to combine or modify cited prior art references, but held that claimed subject matter was not properly deemed non-obvious *notwithstanding* the lower court's conclusion that the prior art was not "suggestive" of the claimed invention.

In *Sakraida*, the Court invalidated patent claims that described a particular configuration of dairy barn structures. Each of the claimed elements (e.g., sloped floors, stalls, etc.) was pre-existent; however, no individual prior art reference disclosed the exact configuration and arrangement of dairy barn structures as were claimed in the patent. The lower court upheld the patent's validity on the basis that, in its view, prior art "references may not be combined to anticipate the patented claim unless they *suggest* to one with ordinary skill in the art doing what the applicant has claimed." *Ag Pro, Inc. v. Sakraida*, 474 F.2d 167, 171 (5th Cir. 1973), *later proceeding*, 512 F.2d 141 (5th Cir. 1975), *rev'd*, 425 U.S. 273 (1976). This Court granted certiorari and reversed the lower court's decision utilizing the same "test of validity of combination patents" that had been applied in *Anderson's-Black Rock. Sakraida*, 425 U.S. at 282. The Court noted that "this patent simply arranges old elements with each performing the same function it had been known to perform" and that the overall combination produced no effect that could "properly be characterized as synergistic." *Id.* "Such combinations," the Court held, "are not patentable under standards appropriate for a combination patent." *Id.* Again, the Court invalidated patent claims under § 103 without making any findings showing a teaching, suggestion, or motivation to configure pre-existing dairy barn structures in the particular claimed manner, and *notwithstanding* a lower court conclusion that there was no "suggestion" to make the particular configuration claimed in the asserted patent.

The decision below is irreconcilable with each and every one of the above-cited cases applying § 103. As those decisions demonstrate, a court properly *can*—as this Court so often *has*—

declare claimed subject matter obvious and unpatentable without making "specific findings showing a teaching, suggestion, or motivation to combine prior art teachings in the particular manner claimed by the patent at issue." (Pet. App. 16a.) In numerous circumstances, including those involving "combination" patent claims, the presence or absence of hypothetical motivation to make a particular claimed subject matter is simply extraneous to whether it "lies beyond the skill of the calling." *Graham*, 383 U.S. at 15 n.7.

Ever since *Hotchkiss*, this Court has assessed the patentability of claimed subject matter by reference to whether a person having ordinary skill in an art would have been *capable* of adapting existing technology to achieve a desired result (e.g., making a *clay* door knob having a threaded shank), not whether such a person would have had *motivation* to adapt existing technology to achieve a desired result. Patentable inventions expand the capabilities of the art; unpatentable changes do not.

The distinction between capability and motivation was explained in *Knapp v. Morss*, 150 U.S. 221 (1893), where patent claims describing an adjustable dress form were held invalid notwithstanding the patentee's contention that he was the first to think of utilizing pre-existing braces and sliding blocks for that end result.[18] The Court explicitly rejected the claimed absence of motivation to make the claimed invention as a basis for sustaining the patent (*id.* at 227-28):

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[18] *Cf. Markman v. Westview Instruments, Inc.*, 517 U.S. 370, 373 (1996) ("A claim covers and secures a process, a machine, a manufacture, a composition of matter, or a design, but *never the function or result of either*, nor the scientific explanation of their operation") (emphasis added) (quoting 6 E. Lipscomb, *Walker on Patents* § 21:17 (3d ed. 1985)); *Diamond v. Diehr*, 450 U.S. 175, 182 n.7 (1981) ("It is for the discovery or invention of some practical method or means of producing a beneficial result or effect, that a patent is granted, and not for the result or effect itself.") (quoting *Corning v. Burden*, 56 U.S. (15 How.) 252, 267-68 (1854)).

> The use and purpose sought to be accomplished by the Hall patent was the radial expansion of the dress form, but it is well-settled by the authorities that the end or purpose sought to be accomplished by the devices is not the subject of a patent. The invention covered thereby must consist of a new and useful means of obtaining that end. . . . Tested by these authorities, the validity of the patent in question must be ascertained, not from a consideration of the purposes sought to be accomplished, but of the means pointed out for the attainment thereof; and if such means, adapted to effect the desired results, do not involve invention, they can derive no aid or support from the end which was sought to be secured.

What this Court has called "the test of validity of combination patents," *Sakraida*, 425 U.S. at 282 (quoting *Anderson's-Black*,, 396 U.S. at 60), is simply a particularized application of the principle that one cannot patent something that a hypothetical person having ordinary skill in an art could "readily" make or do in the service of a desired result. *Cf. Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141, 150 (1989) (stating that § 103 precludes patent protection for subject matter that "could readily be deduced from publicly available material by a person of ordinary skill in the pertinent field of endeavor").

That which is "obvious" to the statutory "person having ordinary skill in the art" includes far more than what a skilled person might be motivated to make at a given point in time. The statutory person having ordinary skill in the art is deemed by law to know *how* to deploy existing technology for its known uses and capabilities, and to know *what* a "mere aggregation," *Lincoln Eng'g*, 303 U.S. at 549, of pre-existing components will comprise. These are the premises behind the Court's repeated holdings that a patent cannot rightly issue for "a combination which only unites old elements with no change in their respective functions." *Sakraida*, 425 U.S. at 281 (quoting *Great Atl.*, 340 U.S. at 152).

Where prior art *does* teach or suggest that particular means or methods can be utilized to achieve a given objective, that of course is a basis on which a court can rightly conclude that subject matter

claimed in a patent would have been obvious and, therefore, cannot be patented.[19] But as the Solicitor General has rightly pointed out, "[t]he Federal Circuit's test departs from this Court's precedents because it treats [that] particular method of demonstrating obviousness . . . as the *exclusive* means of showing obviousness." Solicitor General Amicus Brief at 13 (emphasis in original). In so constraining the authority of courts to declare claimed subject matter obvious, the Federal Circuit has dramatically departed from this Court's precedents.

B. The Teaching-Suggestion-Motivation Test Is Built on a Rejection of This Court's Precedents.

Shortly after its creation in 1982, the Federal Circuit made two important decisions that defied long-established precedent of this Court. First, in 1983, the Federal Circuit asserted that:

> There is *no warrant* for judicial classification of patents, whether into 'combination' patents and some other unnamed and undefined class or otherwise. *Nor is there warrant* for different treatment or consideration of patents based on a judicially devised label. Reference to 'combination' patents is, moreover, *meaningless*.

Stratoflex, Inc. v. Aeroquip Corp., 713 F.2d 1530, 1540 (Fed. Cir. 1983) (emphasis added); *see also Medtronic, Inc. v. Cardiac*

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[19] *See, e.g., Mandel Bros. v. Wallace*, 335 U.S. 291, 296 (1948) (invalidating claims describing anti-perspirant composition comprising urea, where given the stated objective (diminished corrosiveness) and prior knowledge, a skilled artisan "would naturally and spontaneously have tried urea" as an additive); *Sinclair & Carroll Co. v. Inter-Chem. Corp.*, 325 U.S. 327, 333-35 (1945) (invalidating claims describing printing ink that did not dry at room temperature but dried instantly upon the application of heat, where prior art disclosed solvent having desired properties); *Dow Chem. Co. v. Halliburton Oil Well Cementing Co.*, 324 U.S. 320, 325-30 (1945) (invalidating claims describing method of using corrosion inhibitor to protect equipment used in oil well equipment, where prior art taught use of inhibitor to protect other sorts of equipment).

Pacemakers, Inc., 721 F.2d 1563, 1566 (Fed. Cir. 1983) ("It but *obfuscates* the law to posit a non-statutory, judge-created classification labeled '*combination patents*'") (emphasis added).

With these assertions the Federal Circuit boldly repudiated the "test of validity of combination patents" that this Court had applied in *Sakraida*, *Anderson's-Black*, and numerous prior precedents over a 100+ year period (*see* note 17 *supra*), as well as the extensive judicial experience that had led to the formulation of that "test." *See Sakraida*, 425 U.S. at 281 ("Courts should scrutinize combination patent claims with a care proportioned to the difficulty and improbability of finding invention in an assembly of old elements") (quoting *Great Atl.*, 340 U.S. at 152).

The second watershed event was the Federal Circuit's re-interpretation of § 103 as purportedly *precluding* courts or the PTO from concluding that a claimed invention would have been obvious at the time of its making in the absence of some proven teaching, suggestion, or motivation to make the particular claimed subject matter. Notwithstanding that this Court, in *Dann v. Johnston*, 425 U.S. 219 (1976), had reversed the CCPA and held that claimed subject matter was unpatentable under § 103 despite the CCPA's view that cited prior art was "not suggestive of the subject matter of the appealed [patent] claims," *In re Johnston*, 502 F.2d 765, 772 (C.C.P.A. 1974), the Federal Circuit held that "teachings of [prior art] references can be combined *only* if there is some suggestion or incentive to do so." *ACS Hosp. Sys., Inc. v. Montefiore Hosp.*, 732 F.2d 1572, 1577 (Fed. Cir. 1984) (emphasis in original). By 1985, the rule had achieved its canonical form, which requires reversal of any district court holding of obviousness unless the district court has "elucidate[d]" "factual teachings, suggestions or incentives from th[e] prior art that show[] the propriety of [the patented] combination." *Ashland Oil v. Delta Resins & Refractories*, 776 F.2d 281, 297 (Fed. Cir. 1985).

The repudiation of this Court's approach to determining the validity of "combination" patent claims, coupled with the Federal Circuit's radical re-interpretation of § 103(a) as purportedly *requiring* a court to uphold patent claims absent clear and

convincing evidence of motivation to modify or combine prior art in a particular manner, led to the death of this Court's precedents in *Sakraida, Johnston*, and *Anderson's-Black Rock* as viable precedents on which businesses could rely. The effect was not particularly subtle.

According to *Shepard's Citations*, majority opinions in the regional circuits cited *Sakraida* at least fifty-nine (59) times in the approximately six-year period between 1976 and 1982. Thus, *Sakraida* was being cited approximately ten (10) times per year by the regional circuit courts. In the 24 years since its creation, Federal Circuit majority opinions have cited *Sakraida* only four (4) times, with the last citation in a majority opinion occurring now more than 16 years ago. Moreover, in none of those four cases does the Federal Circuit apply the holding of *Sakraida*. Instead, the citations are typically disapproving references to precedents relied on by district courts or to arguments made by the party who would lose on appeal.[20] Citations to *Johnston* and *Anderson's-Black Rock* show similar patterns.[21]

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[20] *See, e.g., Ashland Oil*, 776 F.2d at 306 n.43 (noting that the district court had relied on *Sakraida* and reversing); *Interconnect Planning Corp. v. Feil*, 774 F.2d 1132, 1143 (Fed. Cir. 1985) (noting that defendants had raised arguments based on *Sakraida* and rejecting those arguments); *Medtronic*, 721 F.2d at 1566 (noting that the district court had quoted *Sakraida* but concluding that "[w]e cannot construe that statement [taken from *Sakraida*'s holding] as a rule of law applicable broadly to patent cases because virtually every claimed invention is a combination of old elements"). In *Merck & Co. v. Biocraft Laboratories, Inc.*, 874 F.2d 804 (Fed. Cir. 1989), the court held that a claimed drug composition was "suggested" by a prior art patent, *id.* at 807, and discounted a patentee's claim of "synergistic effect" based in part on *Sakraida*, but maintained its rejection of "synergism" as ever being "a requirement of non-obviousness," *id.* at 808.

[21] Prior to the creation of the Federal Circuit, both decisions had been cited by the regional circuits dozens of times. The Federal Circuit has cited *Anderson's Black Rock* only twice, in both instances disapproving of district courts that had relied on the case. *See Fromson v. Advance Offset*

The Federal Circuit's treatment of this Court's case law has not escaped the attention of lawyers and writers in the field. In the words of a leading patent law casebook, "[i]n its early decisions, the Federal Circuit essentially repudiated the holdings of *Anderson's-Black Rock* and *Sakraida*." Martin J. Adelman, Randall R. Rader, John R. Thomas & Harold C. Wegner, CASES AND MATERIALS ON PATENT LAW 345 (2d ed. 2003). (This casebook is co-authored by Judge Randall Rader who currently sits on the Federal Circuit.) Many other commentators have reached similar conclusions. Those commentators describe the Federal Circuit as having "neatly abolished," "ignored," and "dismiss[ed]" Supreme Court precedent, as exemplified by the quotations below:

> "[T]he Federal Circuit has neatly abolished such Supreme Court pronouncements [on obviousness] as ... [listing the test applied in *Sakraida*, among others]. ... The end result is that the Federal Circuit has expressly dismantled many of the mechanisms the Supreme Court relied upon when deciding obviousness questions." Paul M. Janicke, *The Federal Circuit and Antitrust: To Be or Not to Be: The Long Gestation of the U.S. Court of Appeals for the Federal Circuit (1887-1982)*, 69 Antitrust L.J. 645, 661-62 (2002).
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> "The impact of *Anderson's-Black Rock* and *Sakraida*, however, has not been significant. The Court of Appeals for

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Plate, 755 F.2d 1549, 1557 (Fed. Cir. 1985); *Gardner v. TEC Sys., Inc.*, 725 F.2d 1338, 1343 (Fed. Cir. 1984). Prior to this year, only one majority opinion for the Federal Circuit had cited *Dann v. Johnston*, and the reference merely mentioned that the Court had declined to decide the case on patent subject matter (§ 101) grounds (which had also been argued in briefs of the case). *See State St. Bank & Trust Co. v. Signature Fin. Group*, 149 F.3d 1368, 1375 n.12 (Fed. Cir. 1998). After this Court issued its CVSG order in this case, the Federal Circuit has cited *Dann v. Johnston* as providing authority for the teaching-suggestion-motivation test. *See In re Kahn*, 441 F.3d 977, 986-87 (Fed. Cir. 2006). This interpretation of *Dann* does not seem to have ever previously occurred to the court.

the Federal Circuit, which exercises exclusive jurisdiction over patent appeals, essentially has ignored these decisions...." A. Samuel Oddi, *Beyond Obviousness: Invention Protection in the Twenty-First Century*, 38 Am. U. L. Rev. 1097, 1123 (1989).

"In rejecting 'synergism' as a requirement of invention, and the notion of a separate category of 'combination patents,' the *Stratoflex* court [*Stratoflex, Inc. v. Aeroquip Corp.*, 713 F.2d 1530 (Fed. Cir. 1983)] confronted substantial Supreme Court authority. The Court had *historically* held mechanical inventions that combined old elements—'combination' patents—to a more stringent standard than other inventions." Paul Goldstein, COPYRIGHT, PATENT, TRADEMARK & RELATED STATE DOCTRINES 459 (2002).

"The Federal Circuit simply ignored without comment these intervening opinions [in *Anderson's-Black Rock* and *Sakraida*] ...." Roger E. Schechter & John R. Thomas, INTELLECTUAL PROPERTY: THE LAW OF COPYRIGHTS, PATENTS & TRADEMARKS § 17.3.2.1, at 380 (2003).

"Completely dismissing the Supreme Court's 'synergistic results' rule, the Federal Circuit requires that for a combination invention to be obvious, the suggestion or motivation to make the specific combination must be found in the prior art." Philippe Ducor, *Recombinant Products and Nonobviousness: A Typology*, 13 Santa Clara Computer & High Tech. L. J. 1, 58 (1997).

The divergence between the Federal Circuit's and this Court's precedents is so extreme that one recent commentator made what can only be described as an unusual observation following this Court's 2002 ruling in *Holmes Group, Inc. v. Vornado Air Circulation Sys., Inc.*, 535 U.S. 826 (2002). *Holmes Group* restored regional circuit jurisdiction over certain cases involving patent law counterclaims, and the commentator worried that the decision was likely to generate new circuit conflicts because a regional circuit "may decide that it is bound to follow [Supreme Court] pronouncements" on § 103, even those that had been "flatly

rejected" by the Federal Circuit. *See* Elizabeth I. Rogers, *The Phoenix Precedents: The Unexpected Rebirth of Regional Circuit Jurisdiction Over Patent Appeals and the Need for a Considered Congressional Response*, 16 Harv. J. Law & Tech. 411, 459 (2003).

The decision below well exemplifies the Federal Circuit's overt rejection of this Court's precedents. In its Brief to the Federal Circuit, Petitioner devoted an entire section to *Sakraida* and its many predecessors in this Court's precedents. (*See* Pet. C.A. Br. 47-50.) Yet in the decision below, the Federal Circuit did not cite, distinguish, or even acknowledge the existence of those Supreme Court precedents.

C. The Teaching-Suggestion-Motivation Test Effectively Guts § 103(a) as a Meaningful Defense to Liability for Alleged Patent Infringement.

The Federal Circuit's divergence from this Court's precedent is far more than a matter of semantics. The Federal Circuit teaching-suggestion-motivation test imposes enormous burdens on both the PTO and on industry. These burdens flow from the extremely high cost of litigating a patent case through an entire jury trial on all relevant issues, including validity, infringement, and damages issues. The procedural posture of the present case provides the Court with an invaluable opportunity to observe, in a very concrete way, these deleterious effects.

Last year, this Court called for the views of the Solicitor General prior to acting on the petition for a writ of certiorari filed in this case. After several months of consideration, the Solicitor General this year filed a brief representing the views of the United States, including the PTO's views. With the benefit of the record developed in the District Court (including the Asano prior art pedal, which the PTO had not considered while examining Engelgau's patent application),[22] the government's expert patent agency now

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[22] During the prosecution of the Engelgau patent, the PTO took the position that attaching a pre-existing pedal position sensor to the support

believes that claim 4 of the Engelgau patent should never have been allowed, and that the claim should be invalidated on summary judgment. Yet under the teaching-suggestion-motivation test applied below, the Federal Circuit held that Petitioner had purportedly "failed to make out a *prima facie* case of obviousness." (Pet. App. 14a.) The Federal Circuit accordingly vacated the District Court's grant of summary judgment of invalidity and remanded "for further proceedings on the issue of obviousness, and, if necessary, proceedings on the issues of infringement and damages." (*Id.* at 17a.)

The "teaching-suggestion-motivation test" causes immense harm not merely because it purports to force the PTO to issue, and courts to uphold, patents on subject matter that may differ from prior art in only trivial respects, but also because the test renders summary judgment all but unattainable on § 103 issues and has the practical effect of stripping courts of significant and traditional authority exercised in determining the ultimate question of patent validity.

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bracket of a pre-existing adjustable pedal "would have been obvious" (JSA 131), and the PTO accordingly rejected claims that Respondents originally made to such a "combination." *See* 298 F. Supp. 2d at 595 (Pet. App. 44a-46a). To procure allowance of the Engelgau patent, Respondents amended what became claim 4 of the Engelgau patent to recite a pivot whose position remains constant while the pedal arm moves during adjustment (JSA 137), and suggested that no such *type* of adjustable pedal assembly existed in the prior art to the Engelgau patent. In fact, as both lower courts concluded, and as the Solicitor General has informed the Court, the Asano pedal discloses an adjustable pedal assembly having the very constant position pivot that claim 4 of the Engelgau patent describes.

1. The Teaching-Suggestion-Motivation Test Effectively Precludes Use of Summary Judgment and Strips Courts of Authority to Determine the Ultimate Question of Patent Validity.

As this case demonstrates, even where there is no genuine issue of fact with regard to the scope and content of the prior art, the level of skill in the art, or the extent of any differences between claimed subject matter and the prior art, the "teaching-suggestion-motivation test" still virtually precludes summary judgment on whether claimed subject matter fails the § 103(a) condition for patentability in a given case.[23]

According to the decision below, a patent applicant or patentee can purportedly avoid the invalidating legal effect of an otherwise undisputed prior art reference (in this case, the 1991 Asano pedal), and claim rights to exclude use of subject matter that differs from prior art in only trivial respects (in this case, the combination of an Asano adjustable pedal assembly with an off-the-shelf pedal position sensor), through the simple expedient of asserting that a hypothetical person having ordinary skill in the art, in the particular circumstances "confronted" by the alleged inventor,[24] would have

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[23] "Summary judgment procedure is properly regarded not as a disfavored procedural shortcut, but rather as an integral part of the Federal Rules as a whole, which are designed to 'secure the just, speedy and inexpensive determination of every action.'" *Celotex Corp. v. Catrett*, 477 U.S. 317, 327 (1986) (quoting Federal Rule of Civil Procedure 1). Summary judgment procedure is especially important in patent litigation which this Court has correctly noted "is a very costly process," *Blonder-Tongue Labs., Inc. v. University of Ill. Found.*, 402 U.S. 313, 334 (1971), and the mere threat of which can "often" lead defendants to "decide that paying royalties under a license or other settlement is preferable to the costly burden of challenging the patent." *Id.* at 338.

[24] The Federal Circuit requires that the hypothetical person of ordinary skill in the art be posited as being "confronted with the same problems as the [alleged] inventor." (Pet. App. 7a (quoting *In re Rouffet*, 149 F.3d 1350, 1357 (Fed. Cir. 1998).) The court applied this rule below

lacked "motivation" to combine or assemble particular prior art references in "the particular manner claimed" in a patent or patent application. (Pet. App. 7a.)

If such an assertion is made, then, according to the decision below, the ultimate question of patent validity under § 103(a) effectively ceases to be "one of law," *Graham*, 383 U.S. at 17, but is made to depend instead on the outcome of hugely costly[25] and unpredictable litigation concerning the hypothetical motivations of a person having ordinary skill in the art. In place of a legal analysis that a court can resolve, similarly to how the PTO assesses patentability during the prosecution of a patent,[26] the teaching-suggestion-motivation test purports to require full jury trials to determine the preemptive effect of undisputed prior art. According to

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even though claim 4 of the Engelgau patent is worded so broadly as to describe an adjustable pedal assembly that, according to Respondents themselves, "would not have solved" those alleged "problems." (JA 141a.)

[25] *See* U.S. Federal Trade Comm'n, *To Promote Innovation: The Proper Balance of Competition and Patent Law and Policy* ("FTC Report"), chap. 5, p. 3 (2003) (noting that the record of the agency's investigation on the patent system was "replete with discussion of the cost of litigation and its potential to operate as a drag on the [patent] system"). A 2003 study by the American Intellectual Property Law Association found that, patent infringement cases with $1 million-$25 million at risk, the median cost of litigation was approximately $1 million through the discovery phase and $2 million through trial and appeal. With more than $25 million at stake, the median cost rose to $2.5 million through discovery and $4 million through trial and appeal. *Id.* at p. 3 n.11 (citing American Intellectual Property Law Ass'n, REPORT OF THE ECONOMIC SURVEY 22 (2003)).

[26] On receipt of a completed patent application disclosing an "alleged new invention," the application is examined to determine whether "it appears that the applicant is entitled to a patent under the law." 35 U.S.C. § 131. "A patent, in the last analysis, simply represents a legal conclusion reached by the Patent Office." *Lear, Inc. v. Adkins*, 395 U.S. 653, 670 (1969).

the Federal Circuit, "[m]otivation to combine is a question of fact," and "[e]xpert testimony of a 'lack of motivation to combine and the use of hindsight by [opposing experts] constitutes substantial evidence of ~~non~~obviousness.'" *Group One Ltd.* v. *Hallmark Cards, Inc.*, 407 F.3d 1297, 1304 (Fed. Cir. 2005) (quoting earlier Federal Circuit authority).

Besides injecting enormous uncertainty into patent validity analysis and all but precluding the use of summary judgment to determine "the ultimate question of patent validity," *Graham*, 383 U.S. at 17, the teaching-suggestion-motivation test purports to enable patentees to evade meaningful judicial review of whether claimed subject matter satisfies the § 103(a) condition even where, as in this case, a defense of invalidity is grounded on prior art that the PTO never considered during the prosecution of a patent. The Federal Circuit's decision in *Group One* provides a good illustration.

In *Group One*, the patents-in-suit described a combination of pre-existing elements (specifically, a pre-existing ribbon curling apparatus combined with a pre-existing "stripping" apparatus). The accused infringer raised a defense of invalidity under § 103(a) in view of various "stripping means" references that the PTO had never considered during the prosecution of the patents-in-suit. *Group One*, 407 F.3d at 1306. Following Federal Circuit precedent, the District Court submitted the ultimate question of patent validity to a lay jury, which returned a verdict that the accused infringer "had not proven any of the asserted claims obvious by clear and convincing evidence." *Id.* at 1301.[27] The District Court then granted the accused infringer's post-trial motion for judgment as a matter of law under Federal Rule of Civil Procedure 50(b) on the basis that the asserted claims were invalid under § 103(a). *Id.* at 1302.

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[27] As noted above (*see* note 10 *supra*), the Federal Circuit's blanket imposition of a "clear and convincing evidence" burden of proof with respect to any fact relied upon to establish any invalidity defense, exemplified by *Group One* and the decision below (Pet. App. 5a), notoriously lacks any basis in the Patent Act or precedents of this Court.

On appeal, the Federal Circuit reversed and "reinstate[d] the jury verdict that the patents were not invalid for obviousness." *Id.* at 1303. Although the jury's verdict included no explanation of its conclusion that the asserted claims had not been "proven ... obvious by clear and convincing evidence," the Federal Circuit held that the jury "may have" found[28] that there was less than clear and convincing evidence of "motivation to combine" the prior art references that the District Court had held, as a matter of law, rendered the claimed subject matter unpatentable under § 103. *Id.* at 1302. As for the point that the PTO had never considered the relied-on prior art references, the Federal Circuit stated: "we do not see how this can provide a basis for overturning the jury's factfinding." *Id.* at 1306.

Hence in the United States today, under the Federal Circuit "teaching-suggestion-motivation test," a defendant asserting a defense of invalidity under § 103(a) has no assurance that any court, at any level, will ever give the defense any independent consideration.[29] In calling for such a result, the decision below is fundamentally at odds with this Court's repeated holdings that "the ultimate question of patent validity is one of law," *Graham,* 383 U.S. at 17; *see also Sakraida,* 425 U.S. at 280 ("The ultimate test of patent validity is one of law"), and unwisely transfers decision-making authority from courts to lay juries. *Cf. Markman v. Westview Instruments, Inc.*, 517 U.S. 370, 372 (1996) ("[T]he construction of a

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[28] Under Federal Circuit precedent, when a lay jury renders a verdict on the ultimate legal question of patent validity, post-verdict or appellate review is said to be limited to "re-creating the facts as they *may have been found* by the jury, and . . . applying the *Graham* factors to the evidence of record." *McGinley v. Franklin Sports, Inc.*, 262 F.3d 1339, 1351 (Fed. Cir. 2001) (emphasis added).

[29] *E.g., MercExchange, L.L.C. v. eBay, Inc.*, 401 F.3d 1323, 1331 (Fed. Cir. 2005) (affirming jury verdict on ultimate question of patent validity on the basis that there was "substantial evidence to support the jury's finding of nonobviousness," specifically, expert testimony regarding a lack of hypothetical "motivation" to modify a prior art computer system to behave as claimed in asserted patent), *rev'd on other grounds*, 126 S. Ct. 1837 (2006).

patent, including terms of art within its claim, is exclusively within the province of the court.").

As reflected in numerous decisions of this Court upholding or invalidating patent claims (*see* notes 14, 16-17 and accompanying text, *supra*), the ultimate question of patent validity is determined with reference to a fictional construct – a hypothetical person who has "ordinary skill in the art" and who further is deemed, by law, to have perfect knowledge of all information and technology, located anywhere in the world, that constituted "prior art" in the field of an alleged "invention" at the time it was made. Section 103(a) requires that the patentability of claimed subject matter be assessed against "the prior art," not just against *that portion* of the prior art that a lay jury might be convinced, in litigation, a hypothetical "person having ordinary skill in the art," in contrived and imaginary circumstances, might have been "motivated" to consider within the field of a claimed "invention."

Whether subject matter claimed in a patent should be deemed "non-obvious subject matter," and thus a basis for a grant of economic rights to exclude competition backed up by potent injunctive and monetary remedies, calls for a qualitative assessment of both the nature and the extent of "the differences between the subject matter sought to be patented and the prior art," 35 U.S.C. § 103(a), and the formation of a judgment whether the claimed subject matter was, at the time of its conception, "beyond the skill of the calling," *Graham*, 383 U.S. at 15 n.7. *Cf. United States v. Adams*, 383 U.S. 39, 51-52 (1966) (upholding claims describing a battery comprising magnesium and cuprous chloride electrodes whose operating characteristics were "unexpected" and "far surpassed then-existing wet batteries," and whose design was contrary to "long-accepted factors" that would "deter any investigation" into the claimed combination).

In an appropriate case,[30] "[s]uch secondary considerations as commercial success, long felt but unsolved needs, failure of others, etc., might be utilized to give light to the circumstances surrounding the origin of the subject matter sought to be patented." *Graham*, 383 U.S. at 17-18. But whether such considerations "should, in a close case, tip the scales in favor of patentability," *Goodyear Tire & Rubber Co. v. Ray-O-Vac Co.*, 321 U.S. 275, 279 (1944) (upholding claims describing leak proof battery), their weighing and evaluation is an aspect of "the ultimate question of patent validity," *Graham*, 383 U.S. at 17, which this Court's precedents have long treated as a question of law for courts, not lay juries, to decide.[31]

To the extent that prior art can be characterized as providing no teaching, suggestion, or motivation to make particular claimed subject matter, that characterization may support a legal conclusion of patent validity in a given situation, *see, e.g., Adams*, 383 U.S. at 52-53 (absence of prior art teaching or suggestion to use magnesium

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[30] This Court has repeatedly held that the commercial success of a claimed "invention" is relevant to patentability "only in a close case where all other proof leaves the question of invention in doubt." *Dow Chem. Co. v. Halliburton Oil Well Cementing Co.*, 324 U.S. 320, 330 (1945). *See also Jungersen v. Ostby & Barton Co.*, 335 U.S. 560, 567 (1949); *Toledo Pressed Steel Co. v. Standard Parts, Inc.*, 307 U.S. 350, 356-57 (1939). *Cf. Dann v. Johnston*, 425 U.S. 219, 230 n.4 (1976) (stating, "commercial success without invention will not make patentability") (quoting *Great Atl.*, 340 U.S. at 153).

[31] *See, e.g., Sakraida*, 425 U.S. at 282-83 (invalidating claims describing assembly of pre-existing dairy barn structures; despite commercial benefits, "[t]hese desirable benefits 'without invention will not make patentability'" (quoting *Great Atl.*, 340 U.S. at 153)); *Anderson's-Black*, 396 U.S. at 61 (invalidating claims describing assembly of radiant burner and paving apparatus; despite claimed fulfillment of long-felt need and commercial success, "those matters 'without invention will not make patentability'" (quoting *Great Atl.*, 340 U.S. at 153)); *Graham*, 383 U.S. at 35-37 (invalidating claims describing pump sprayer; despite claimed failures of others and commercial success, "these factors do not, in the circumstances of this case, tip the scales of patentability").

electrode in water-activated battery supported a legal conclusion of patent validity), or it may have little or no bearing on a legal conclusion of patent validity. *See, e.g.*, *Sakraida*, 425 U.S. at 281-83 (invalidating patent claims describing dairy barn structures without reference to any "teaching, suggestion, or motivation" to configure the structures in the particular manner claimed).[32]

But in any event, the character of "the ultimate question of patent validity" as being "one of law," *Graham* 383 U.S. at 17, is rendered no less so by a patentee's or patent applicant's assertion that a person having ordinary skill in the art would have lacked motivation to make particular claimed subject matter. To the extent that such an assertion can be said to give rise to an issue of some sort, it is not an issue of fact that precludes a court from granting summary judgment under Federal Rule of Civil Procedure 56(c).

2. The Teaching-Suggestion-Motivation Test Converts § 103(a) Into a Condition for Challenges to Patentability.

Section 103 states a "condition for patentability." The statute implements "congressional directions that inquiries into the obviousness of the subject matter sought to be patented are a *prerequisite* to patentability." *Graham*, 383 U.S. at 17 (emphasis added).[33] The statute does not, as the decision below erroneously assumes, *presuppose* that *all* novel subject matter is patentable, unless the PTO or an accused infringer can prove some teaching,

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[32] *Sakraida* notably reversed a lower court judgment that had held, similarly to the decision below, that "references may not be combined to anticipate the patented claim unless they *suggest* to one with ordinary skill in the art doing what the applicant has claimed." *Ag Pro, Inc. v. Sakraida*, 474 F.2d 167, 171 (5th Cir. 1973) (emphasis added), *rev'd*, 425 U.S. at 281-83.

[33] *See also Dann*, 425 U.S. at 225 ("As a judicial test, 'invention'—i.e., 'an exercise of the inventive faculty,' *McClain v. Ortmayer*, 141 U.S. 419, 427 (1891)—has long been regarded as an absolute prerequisite to patentability.").

suggestion, or motivation to make the particular claimed subject matter.

So here, in claim 4 of the Engelgau patent, the Respondents' assignor broadly described the alleged invention as comprising a combination of two pre-existing components, namely, (i) a pre-existing type of adjustable accelerator pedal assembly, and (ii) a pre-existing type of pedal position sensor. Absent some demonstration *by the applicant* that the conception of this claimed subject matter required "an exercise of the inventive faculty," *Dann*, 425 U.S. at 225 (quoting *McClain*, 141 U.S. at 427), the PTO could properly conclude—as it has in this very case (*see* Solicitor General Amicus Brief at 17)—that claim 4 of the Engelgau patent at best describes "the work of the skilful mechanic, not that of the inventor," *Sakraida*, 425 U.S. at 282 (quoting *Hotchkiss*, 52 U.S. (11 How.) at 267). A court may similarly reject, as unsupported or legally erroneous, an applicant's assertion that claimed subject matter was an "invention" or "non-obvious subject matter" at the time the subject matter was conceived by the applicant. *Id.* at 281-83.[34]

By re-interpreting § 103(a) as providing, not a "condition for patentability" (as its title states, and as this Court has consistently interpreted the statute as providing), but rather a "condition for *challenges* to patentability," the "teaching-suggestion-motivation test" purports to force issuance of patents for *any* claimed permutation of existing technology that is not "identically disclosed or described as set forth in section 102," 35 U.S.C. § 103(a), unless the PTO proves that a hypothetical person having ordinary skill in the art would have had "motivation" to make particular claimed subject matter when an applicant made the alleged invention. *See, e.g., In re*

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[34] Under 35 U.S.C. § 282, claims in issued patents are "presumed valid"; however, this statutory presumption is just that, a presumption, and it in no way limits the power of a court to disagree with an Examiner's legal conclusion as to the patentability of particular claimed subject matter under 35 U.S.C. § 103(a). *E.g., Graham*, 383 U.S. at 34 ("We are at a loss to explain the Examiner's allowance on the basis of such a distinction").

Lee, 277 F.3d 1338, 1343-45 (Fed. Cir. 2002). The teaching-suggestion-motivation test thus gives rise to enormous incentives to load up patent applications with large numbers of slightly different claims, each one of which, under Federal Circuit precedent, purportedly *must* be allowed unless the PTO can demonstrate the existence of a "teaching, suggestion, or motivation" to make the *particular* claimed subject matter.

Two cases that came before this Court last Term well illustrate the effect. In *eBay, Inc. v. MercExchange, L.L.C.*, 126 S. Ct. 1837 (2006), the Respondents had parlayed a single patent application into at least three patents (U.S. Patent Nos. 5,845,265 (1998); 6,085,176 (2000); 6,202,051 (2002)) containing no fewer than 154 claims describing different details of a method and apparatus for displaying and selling items online. The *MercExchange* patents were concise, however, compared to the patents at issue in the recent "BlackBerry" litigation. *See NTP, Inc. v. Research in Motion, Ltd.*, 418 F.3d 1282 (Fed. Cir. 2005), *cert. denied*, 126 S. Ct. 1174 (2006). Just one of the patents in that case had more than 600 different claims whose length easily exceeded the entirety of the technical disclosure. *See* U.S. Pat. No. 6,317,592 B1 (2001) (cols. 1-28 setting forth technical disclosure; cols. 28-86 setting forth 665 different claims).

Against such patents, the incentive to settle a lawsuit for alleged infringement can be overwhelming. The rigors of the "teaching-suggestion-motivation test" apply separately to each and every claimed permutation, and since the "teaching-suggestion-motivation test" effectively precludes summary judgment in all but the most extreme cases, an accused infringer typically has to battle many permutations. And even if the defendant succeeds in invalidating several or even dozens of the claims, all can be lost if the jury finds for one permutation that the accused infringer has not demonstrated by clear and convincing evidence that the prior art did not contain a teaching, suggestion, or motivation to make the particular claimed subject matter.

D. Under This Court's Precedents Claim 4 of the Engelgau Patent Is Invalid.

As both lower courts in this case determined, claim 4 of the Engelgau patent is worded so broadly and abstractly that it describes (i) a pre-existing type of adjustable accelerator pedal assembly (namely, the Asano pedal assembly), attached in a known way to (ii) a pre-existing type of pedal position sensor (*e.g.*, the CTS 503 Series sensor installed in 1994 GM pickup trucks), with the combined elements performing exactly the same function, and producing exactly the same effect, as each was originally known and designed to do. (*See* JSA 81 (computer animation comparing words of claim 4 to undisputed prior art references).)

Under applicable precedents of this Court, no extended analysis was or is necessary to decide that this claim is invalid under at least 35 U.S.C. § 103(a). Claim 4 of the Engelgau patent unquestionably falls within the principle that "[a] patent for a combination which only unites old elements with no change in their respective functions. . . obviously withdraws what already is known into the field of its monopoly and diminishes the resources available to skillful men." *Sakraida*, 425 U.S. at 281 (quoting *Great Atl.*, 340 U.S. at 152). Under this Court's precedents, that is the end of the matter.

II. THE COURT SHOULD ADHERE TO ITS PRECEDENTS AND REJECT THE TEACHING-SUGGESTION-MOTIVATION TEST.

This case provides a stark and relatively unusual choice for the Court between adhering to a long line of this Court's own precedents versus abandoning those precedents and endorsing the experiment of a lower court. Just last Term, this Court reiterated its view that "[c]onsiderations of *stare decisis* are particularly forceful in the area of statutory construction, especially when a unanimous interpretation of a statute has been accepted as settled law for several decades." *IBP, Inc. v. Alvarez*, 126 S. Ct. 514, 523 (2006). *Graham*, *Calmar*, *Anderson's-Black*, *Dann*, and *Sakraida* were all unanimous decisions of this Court. Moreover, many decisions on which those precedents were based, including *all* of this Court's precedents applying the "combination" patent rule cited in footnote 17, *supra*, were decided unanimously.

All of this was settled law until the Federal Circuit began disregarding this Court's precedents in the early 1980s, a mere seven years after this Court's most recent unanimous pronouncement in *Sakraida*. The Federal Circuit should not be held to a lower standard of respect for this Court's statutory precedents than the standard that this Court applies to itself. Indeed, this point is especially important now, because this Court has decided a number of patent cases in recent years. Such decisions as *Dickinson v. Zurko*, 527 U.S. 150 (1999), and *Warner-Jenkinson Co. v. Hilton Davis Chemical Co.*, 520 U.S. 17 (1997), are about the same age as *Sakraida* was when the Federal Circuit began to ignore it. Acceptance of the Federal Circuit's departure from Supreme Court precedent would create massive uncertainty and instability in the law; litigants would have to be constantly guessing which Supreme Court patent decisions were ripe for lower court *sub silentio* non-acquiescence.

This Court's precedents on the standard of patentability also contain the collective wisdom of generations of Justices and lawyers. The rule applied in *Sakraida*, for example, would have been well-known to the lawyers of Alexander Graham Bell, Thomas Edison, and Wilbur and Orville Wright. *See* 1 William C. Robinson, THE LAW OF PATENTS FOR USEFUL INVENTIONS § 154, at 217-19 (1890). Any judicial changes from these long-accepted and applied rules should proceed incrementally, in the common-law method, not by sudden disregard for an entire corpus of case law. If such dramatic alterations are wise or necessary, it is the office of the legislature to make the change.

Nevertheless, if this Court were open to considering a wholesale reformulation of its traditional patentability standard, the teaching-suggestion-motivation test provides an unattractive alternative. The doctrine undermines basic policies undergirding § 103(a), and its failings have been widely recognized.

A. The Teaching-Suggestion-Motivation Test Ill Serves the Important Goals That § 103(a) Is Designed to Implement.

The reason for limiting patents to "non-obvious subject matter" can be seen most easily by contrasting patent with copyright law. In copyright, the standard for obtaining intellectual property rights has

been set "extremely low." *Feist Publ'n, Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 340, 345 (1991). While the copyright standard requires some "spark" of creativity, "[t]he vast majority of works make the grade quite easily, as they possess some creative spark, 'no matter how crude, humble or obvious' it might be." *Id.* at 345 (quoting 1 M. Nimmer & D. Nimmer, NIMMER ON COPYRIGHT § 1.08[C][1] (1990)).

Two fundamental differences in the scope of rights protected by copyrights and patents explain the difference between the standards of creativity applicable in each area. First, unlike a patent, a copyright prevents only copying of the protected work. It grants no rights over independent creations of similar or even identical works. A copyright on a triviality that can be independently created by many individuals will thus have a limited economic impact. Even if people are willing to pay for the triviality, each independent creator will be in competition with others. Second, copyrights protect only the particular expressions of ideas, but patent rights offer protection at a much broader and more conceptual level. Thus, the first writer to use a telephone as a crucial element in a story cannot prevent other writers from using a telephone as an important element in advancing a plot in another work. A patent on a telephone, however, can—and in fact did—grant rights covering all practical uses of telephone technology during the term of the patent. *See The Telephone Cases*, 126 U.S. 1, 532-33 (1888) (sustaining Bell's broad patent on basic telephone technology).

The justification for patent law's relatively high standard of creativity can thus be accurately summed up in the phrase "more rights, more responsibilities." A patent grants much more dramatic rights to limit the economic activity of others, and so the law rightly demands more from patent applicants than from authors.

Section 103(a) is designed to preclude patent protection for *trivial* new developments and adaptations of technology. It is important to stress that *trivial* here refers to *technical, not economic*, triviality. "A patent on a technically trivial development may still be an extremely valuable right that can be commercially exploited." Robert P. Merges & John F. Duffy, PATENT LAW & POLICY 644 (3d

ed. 2002). In barring issuance of patents for such technologically trivial developments, the statutory condition for patentability serves at least three distinct goals of the patent system. The "teaching-suggestion-motivation test" serves each of those goals extremely poorly.

First, by limiting patent protection to "non-obvious subject matter," § 103(a) prevents the legal system from burdening industry with a thicket of patents that are both economically and technologically trivial. *See* U.S. Federal Trade Comm'n, *To Promote Innovation: The Proper Balance of Competition and Patent Law and Policy* ("FTC Report"), chap. 4, at 5 (2003). For such patents, the social costs imposed by each such patent may be small, but in the aggregate they make it expensive for firms to search through issued patents to determine whether their technology has been patented. The teaching-suggestion-motivation test ill serves the goal of preventing such thickets because the burden on the PTO to disallow patent claims, and the burden on accused infringers to invalidate allowed claims, is so high that the rational course of action for each actor is not to challenge patentability. Thus, PTO examiners may allow hundreds of slightly different patent claims because fighting patentability, under Federal Circuit precedent, requires the examiners to "'connect the dots ... very, very clearly.'" *Id.* at 11 (quoting PTO Deputy Commissioner for Patent Examination Policy Stephen Kunin).[35] Similarly, accused infringers may settle rather than

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[35] Illustrative is the case of *In re Dembiczak*, 175 F.3d 994 (Fed. Cir. 1999), where the Federal Circuit reversed the PTO's refusal to issue a patent on pumpkin-faced garbage bags. The PTO held it obvious to combine prior art trash bags with a prior art book on children's art, which taught how to paint a pumpkin face on a paper bag. To the PTO, the alleged invention was literally child's play. Not so for the Federal Circuit. Applying the suggestion test, the court reversed and remanded to the agency for additional fact-finding because "[n]owhere does the [PTO] Board particularly identify any suggestion, teaching, or motivation to combine the children's art references (Holiday and Shapiro) with the conventional trash or lawn bag references." *Id.* at 1000.

challenge patent validity under § 103, because Federal Circuit precedent effectively precludes summary judgment and empowers patentees to demand that the ultimate question of patent validity be submitted to a lay jury, rather than a court, on the basis of a few minutes of instruction on patent law and a "clear and convincing evidence" burden of proof.

Second, by limiting patent protection to "non-obvious subject matter," § 103 results in a sound allocation of rewards for technological developments. *See* FTC Report, chap. 4, at 4-5. Limiting patents to non-obvious subject matter at once (i) permits issuance of patents for innovations that increase the capability of an art, and (ii) precludes issuance of patents for trivial adaptations of those innovations. Alexander Graham Bell's patent on apparatus for transmitting vocal and other sounds telegraphically (U.S. Patent No. 174,465), which was held valid in *The Telephone Cases*, 126 U.S. 1, 532-33 (1888), plainly satisfied the *Hotchkiss* condition in this Court's jurisprudence, just as it would satisfy the standard codified in § 103. But that standard, as interpreted by this Court, would preclude patent protection for, say, the technologically trivial ideas of using a telephone to place business orders, to confirm a reservation, or to call mom on Mother's Day. The traditional interpretation of § 103(a), and the *Hotchkiss* condition it codified, enables developers of non-obvious subject matter to exploit their technological achievements without having to split their rewards with developers of obvious follow-on adaptations and permutations.

Third, and perhaps most importantly, by limiting patent protection to "non-obvious subject matter," § 103(a) bars issuance of patents for subject matter whose conception was not a solution to a technical problem, but a mere taking advantage of commercial opportunities created by others' technological achievements.[36] A

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[36] *See, e.g.*, Robert P. Merges & John F. Duffy, PATENT LAW AND POLICY 655 (3d ed. 2002) (noting that "[e]xogenous economic forces, rather than technical achievement," may explain the emergence of a new combination that may be quite valuable in the market even though

good example is the historically notorious Selden patent on all automobiles having gasoline piston engines.[37]

Selden did little or nothing to develop gasoline engines. He might have been the first in this country to mount a primitive gasoline engine on a carriage, though precisely who was first is hard to determine because so many other individuals thought of the same idea at roughly the same time. Nevertheless, Selden, a patent attorney, was shrewd enough to seek immensely broad patent rights covering the combination of the new engine with the standard mechanical parts. The patent caused enormous problems in the early U.S. automobile industry until the Second Circuit held the literal reach of its broadest claim would be "invalid for want of invention" one year prior to its expiration. *See Columbia Motor Car Co. v. C. A. Duerr & Co.*, 184 F. 893, 901 (2d Cir. 1911).

(..continued)

technically trivial); William M. Landes & Richard A. Posner, THE ECONOMIC STRUCTURE OF INTELLECTUAL PROPERTY LAW 304 (Harvard 2003) (explaining that "sometimes an idea is unknown not because it would be costly to discover but because it has no value" and that "[i]f some exogenous shock gives it value, it will be discovered more or less simultaneously by a number of those who can exploit it"); John F. Duffy, *Rethinking the Prospect Theory of Patents*, 71 U. Chi. L. Rev. 439 (2004) (noting that an unexpected development like the rise of internet commerce in the mid-1990s can create many opportunities for "new but obvious ideas that have suddenly come to have evident economic value" and that, if the non-obviousness requirement is not well enforced, society could face a flood of patents that will exact a heavy price for obvious ideas).

[37] James J. Flink, THE AUTOMOBILE AGE 51 (1988) ("Probably the most absurd action in the history of patent law was the granting of United States patent number 549,160 on November 5, 1895, to George B. Selden."). This patent is used as illustrative of obviousness in Merges & Duffy, *supra*, at 644-47, and in FTC Report, Executive Summary at 3, 12, chap. 4, at 13-14 & 18. The deleterious effects of the Selden patent on the early automotive industry are detailed in William Greenleaf, MONOPOLY ON WHEELS: HENRY FORD AND THE SELDEN AUTOMOBILE PATENT (1961).

Petitioner's case, and many others, show a similar pattern: Where new technologies or needs arise, many obvious adjustments to existing technology will need to be made. Such adjustments, permutations and combinations may be new, but they are not necessarily "non-obvious." Yet it is in precisely such circumstances that the "teaching-suggestion-motivation test" fails badly: Because the conditions requiring the change are new, the prior art will not disclose the requisite teaching, suggestion, or motivation for proving the new combination obvious. With that flawed approach to determining patentability, the areas of the economy experiencing the greatest change—e.g., because of the electronics revolution or the rise of the internet—will predictably be burdened with obvious patents that may have great economic significance.

In this very case, the economic significance of claim 4 in the Engelgau patent is attributable not to Mr. Engelgau's insights into pedal mechanics but to the rise of electronic throttle control. If claim 4 is not invalidated, the owner of an Asano pedal could not adapt the pedal in conventional fashion to function with a modern car without infringing the Engelgau patent, even though an adaptation of the Asano pedal to the new conditions owes no intellectual debt to Mr. Engelgau's work.

B. The Federal Circuit's Doctrine Is a Failed Experiment.

The Federal Circuit's radical re-interpretation of § 103(a) has been in operation long enough that this Court can observe the consequences, and they are not good. The teaching-suggestion-motivation test has coincided with a massive increase in patent filings and lawsuits and widespread criticism of the United States patent system. *See, e.g.*, *Patently Ridiculous*, N.Y. Times, Mar. 22, 2006 (*available at* http://www.nytimes.com/2006/03/22/opinion/22wed1.html?ei=5090&en=90b684597ca2bd79&ex=1300683600&partner=rssuserland&emc=rss&pagewanted=print); *Patently Absurd*, Wall St. J., Mar. 1, 2006, at C-1; Michael Orey, *The Patent Epidemic*, Business Week, Jan. 9, 2006 (*available at* http://www.businessweek.com/magazine/content/06_02/b3966086.htm).

The alternative to the Federal Circuit's experiment—a return to the traditional approach to granting patents—is not only workable,

but it is the approach that continues to hold in much of the rest of the Western world.[38] These other jurisdictions borrowed their law from the precedents of this Court, which has been credited in foreign literature as having originated the obviousness doctrine. *See, e.g.*, Freidrich-Karl Beier, *The Inventive Step in its Historical Development*, 17 Int'l Rev. Indus. Prop. & Copyright L. (IIC) 301, 304 (1986) ("[T]he so-called patentability requirement was invented by the Americans, in particular the Justices of the U.S. Supreme Court in the famous case [*Hotchkiss*]."). It is therefore fair to say that Europe is adhering more closely than the Federal Circuit to the conception of obviousness disclosed in this Court's precedents. That unusual situation should end with this case.

CONCLUSION

For the reasons set forth above, this Court should reverse the judgment of the Federal Circuit.

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[38] *European Patent Examining Guidelines for Examining in the European Patent Office*, Part C, at IV-23 (June 2005) (*available at* http://www.european-patent-office.org/legal/gui_lines/pdf_2005/guidelines_2005_e.pdf) (stating that a mere aggregation of pre-existing parts lacks an inventive step, and is therefore unpatentable, unless the interactions of the individual features produce a "synergistic effect"). That approach has also been reaffirmed by the UK House of Lords in the case of *SABAF SpA v. Meneghetti SpA* [2003] R.P.C. 14 (*available at* http://www.parliament.the-stationery-office.co.uk/pa/ld200304/ldjudgmt/jd041014/sabaf-1.htm). The prevailing law in Canada is also similar. *See Canadian Intellectual Property Office, Manual of Patent Office Practice*, ch. 15, at 15-3 (2005) (*available at* http://strategis.ic.gc.ca/sc_mrksv/cipo/patents/mopop/ch15-e.pdf) (listing as an example of obviousness, "[t]o combine old devices into a new machine or manufacture, without producing any new mode of operation").

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